Reduction of bulk LPG supply by RIL to IOC

*167. SHRI MOHAMMED AMIN:
SHRI TAPAN KUMAR SEN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether recent LPG shortage in the country was also due to reduction in bulk LPG supplies by Reliance Industries Ltd. (RIL) in the month of January, 2008 to Indian Oil Corporation (IOC) and other public sector oil marketing companies;

(b) if so, the details thereof;

(c) whether there are any penal provisions in case of such abrupt reduction of supply by RIL

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) At present, there is no overall shortage of LPG in the country. Public Sector Oil Marketing Companies (OMCs) have reported that they have supplied 8,450 TMT (thousand metric tonnes) of domestic LPG in the country during the period April' 07-January '08 as against 8,030 TMT during the corresponding period of last year, showing a growth of 5.2%.

During the month of January '08 the actual LPG production at RIL, Jamnagar refinery was 236.97 TMT against the planned production of 240 TMT. This shortfall in production of about 3 TMT was marginal as the supplies from PSU refineries/fractionators during January '08 was 522 TMT. The backlog in LPG supplies in some States of the country during the month of January '08 was due to a combination of factors *viz:* Production of reduced/ off-spec LPG at some of the sources, delay in movement of bulk LPG by rail, delay in berthing of vessels at Haldia Port, increase in demand in some of the States due to the severe cold resulting in panic refill booking by customers, strikes and go slow agitations by contract labour in IOC plants in Karnataka, Tamil Nadu and West Bengal.

(c) to (e) At present, supply of LPG in RIL is being made under a "Product Off Take Agreement" signed between IOC and RIL which is valid up to 31.03.09. As per the agreement, IOC is to advise its deficit LPG for the financial year to RIL and subject to availability of LPG with them, RIL shall have the first right of supply to IOCL. Under the agreement, RIL will indicate the price for supply of LPG. However, if IOC demonstrates to RIL that IOC can purchase LPG from other sources at lower rates than those offered by RIL, IOC will have the option to require RIL to match such price and in case of refusal, IOC will have the option to buy LPG from other sources.

Preferential allotments by companies

*168. MS. MABEL REBELLO: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) how many companies have made preferential allotments either to promoters or other private groups during the last three years;

(b) how many companies have sought shareholders' approval for such preferential allotments through postal ballot mechanism and through general body meeting;

(c) whether Government is contemplating to stop this method of preferential allotment to promoters through postal allotment as it hurts the small investors whose value of share gets diluted;

(d) whether Government has any plans to do so; and

(e) if so, by when; and if not, the reasons therefor?

THE MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) The information is being collected and will be laid on the Table of the House.

(c) As per provisions of section 81(1A) of the Companies Act, 1956, further shares can be offered by a company to any person(s) (whether existing members or not), in any manner, if the company passes a special resolution to this effect, or, if the company passes an ordinary resolution and obtains Government approval thereto. Allotment of shares made in such manner to a select group of persons and not to public at large is also termed as preferential allotment.

In terms of provisions of section 192A of the Companies Act, 1956, a listed company may voluntarily pass resolutions under section 81(1A) of the Companies Act, 1956 for preferential allotment by way of postal ballot.

Further, SEBI (Disclosure & Investor Protection) Guidelines, 2000 regulate various aspects of preferential allotment by listed companies such as pricing of the issue, currency of financial instruments, non-transferability of financial instruments, the validity period of shareholders' resolution etc.

Since the price at which shares are offered in a preferential allotment by a listed company, is fixed as per SEBI Guidelines, there is a regulatory safeguard against the value of shares held by small investors being selectively devalued.

(d) and (e) The mechanism of postal ballot enables wider shareholder participation in the company resolutions. Such participation would make the decision taken by such resolution more democratic. In view of this, there is no proposal to do away with this method of ascertaining the consent of shareholders. In case of any oppression and mismanagement by the company, the aggrieved minority shareholders may approach the Company Law Board for relief under section 397/398, read with section 399 of the Companies Act, 1956.

Wages of ONGC workers

*169. SHRI PRAVEEN RASHTRAPAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of minimum wages paid by Oil and Natural Gas Corporation (ONGC) to workmen employed directly by the Corporation as on 31 March, 2007;

(b) the details of minimum wages paid to workers, casual workers, employed through contractors as on 31 March, 2007;

(c) the details of various contractors registered with ONGC on various assets of ONGC in Gujarat; and